

Please amend the specification as follows:

On page 3, replace the paragraph starting on line 4 with the following:

Sodium hyaluronate can also be [derivitized] derivatized by covalent attachment of hydrazides at carboxyl groups of glucuronic acid moieties (Pouyani, T. & Prestwich, G.D., Bioconjugate Chemistry 5:339-347 (1994); Vercruyse, K.P., *et al.*, Bioconjugate Chemistry 8:686-694 (1997); U.S. Patent No. 5,652,347, U.S. Patent No. 5,616,568). Hyaluronate functionalized with hydrazide has a pendant hydrazide group that allows for subsequent coupling and crosslinking reactions (Pouyani, T. & Prestwich, G.D., Bioconjugate Chemistry 5:339-347 (1994); Vercruyse, K.P., *et al.*, Bioconjugate Chemistry 8:686-694 (1997); U.S. Patent No. 5,652,347, U.S. Patent No. 5,616,568).

On page 6, replace the paragraph starting on line 22 with the following:

The present invention relates to microspheres comprised of hyaluronan [derivitized] derivatized with homobifunctional crosslinking groups. The homobifunctional crosslinking groups allow functionalized hyaluronan to be crosslinked and to serve as an intermediate for attachment of bio-effecting agents, drugs, peptides, fluorocarbons, oxygen-carrying agents, and other molecules of biological interest.

On page 16, replace the paragraph starting on line 19 with the following:

The pendant hydrazido group of the [derivitized] derivatized hyaluronan of the microspheres may be used for the coupling of compounds to hyaluronan. For example, drugs may be covalently attached through the intermediacy of hydrolytically and/or enzymatically labile bonds, which allows for the preparation of controlled release formulations. Such labile linkages include ethers, imidates, thioimidates, esters, amides, thioethers, thioesters, thioamides, carbamates, [ethers,] disulfides, hydrazides, hydrazones, oxime ethers, oxime esters and amines. Carboxylate-containing chemicals such as the anti-inflammatory drugs ibuprofen or hydrocortisone-hemisuccinate can be converted to the corresponding N-hydroxysuccinimide (NHS) active esters and can further react with a primary amino group of the dihydrazides. Non-covalent entrapment of a pharmacologically active agent in the microspheres is also possible. Electrostatic or hydrophobic interactions can facilitate retention of a pharmaceutically active agent in the microspheres. For example, the hydrazido of the invention can non-covalently interact, e.g., with carboxylic acid-containing steroids and their analogs, and anti-inflammatory drugs such as Ibuprofen (2-(4-iso-butylphenyl) propionic acid). The protonated hydrazido group can form salts with a wide variety of anionic materials such as proteins, heparin or dermatan sulfates, oligonucleotides, phosphate esters, and the like.